

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Florez Analyst: Jane Tolman Bill Number: SB 800
Related Bills: None Telephone: 845-6111 Introduced Date: 02-21-2003
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Department Of Industrial Relations Establish Administrative Coordinating Council To Include Labor Commissioner, EDD & FTB To Share Information Regarding Farm Labor Contractors

SUMMARY

This bill would require the creation of an administrative council, including a representative of the Franchise Tax Board (FTB), to share information on violations of payment obligations by farm labor contractors.

This analysis will only address the provisions of the bill impacting the department.

PURPOSE OF THE BILL

It appears the purpose of this bill is to create an administrative council to provide information on noncompliance of payment obligations by licensed farm labor contractors.

EFFECTIVE/OPERATIVE DATE

This bill would become effective and operative January 1, 2004.

POSITION

Pending.

ANALYSIS

FEDERAL/STATE LAW

California's Labor Code requires farm labor contractors to be licensed in this state. A farm labor contractor is an individual who for a fee employs workers to render personal services for the production of farm products. The farm labor contractor is required to follow the laws for employers, including wage laws, tax withholding laws, and unemployment insurance laws.

If any licensee fails to remit the proper amount of worker contributions required by the Unemployment Insurance Code or if the Employment Development Department (EDD) has made an assessment for such unpaid worker contributions against the licensee that is final, EDD shall refuse to issue or renew the license of such licensee until such delinquency is paid.

The Labor Code states that before revoking or suspending any license, the Labor Commissioner shall afford the holder of such license an opportunity to be heard in person or by counsel.

Board Position:

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_____ N	_____ OUA	_____ X PENDING

Department Director

Date

Gerald H. Goldberg

5/13/03

THIS BILL

This bill would require the Department of Industrial Relations to create an administrative council to provide information on compliance by licensed farm labor contractors with respect to payment obligations. The purpose of the council would be to share information related to the violation of wages, tax withholding, worker contributions, and workers' compensation insurance laws.

The members of the council would include the Labor Commissioner and a representative from EDD and FTB.

IMPLEMENTATION CONSIDERATIONS

Although this bill would authorize FTB staff to participate on the council, staff is expressly prohibited by law from sharing confidential taxpayer information.

Implementing this bill would not significantly impact the department's programs and operations.

OTHER STATES' INFORMATION

The states surveyed include *Florida, Illinois, Massachusetts, Michigan, Minnesota, and New York*. These states were selected due to their similarities to California's economy, business entity types, and tax laws.

No related information was available regarding the sharing of information on violations of farm labor contractors.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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